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State of Illinois

Rod R. Blagojevich, Governor



Illinois Environmental Protection Agency

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ILLINOIS DOCUMENTS

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The Illinois Conservation and Climate Initiative

Earn revenue through the
sale of greenhouse gas
emissions credits



www.illinoisclimate.org

Background

The Illinois Conservation and Climate Initiative (ICCI) is a joint project of the State of Illinois and the Delta Institute that allows farmers and landowners to earn revenue through the sale of greenhouse gas emissions credits when they use conservation practices such as no-till, grass plantings, reforestation, or manure digesters.

Conservation practices prevent carbon dioxide and methane, greenhouse gases that contribute to global climate change, from being released to the atmosphere.

The Chicago Climate Exchange (CCX[®]) quantifies, credits and sells greenhouse gas credits from conservation practices. The credits are aggregated, or pooled, from farmers and landowners in order to sell them to CCX[®] members that have made voluntary commitments to reduce their greenhouse gas contributions.

ICCI provides an additional financial incentive for farmers and landowners to use conservation practices that also benefit the environment by creating wildlife habitat and limiting soil and nutrient run-off to streams and lakes.

Eligible Practices

Many farmers and landowners are already using conservation practices eligible for carbon credits on the CCX[®] such as:

- No-till farming
- Strip-till farming
- Grass plantings
- Afforestation/reforestation
- Methane digesters

To be eligible, the producer or landowner must make a contractual commitment to maintain the eligible practice through 2010. CREP and CRP land is eligible for enrollment in the ICCI as long as it meets CCX[®] eligibility requirements for the practice.

Enrollment Process

The application packet for enrolling conservation tillage and grass plantings includes:

- Signed contract
- Enrollment worksheet summarizing the acreage in conservation tillage or grass planting
- FSA maps of enrolled land
- FSA crop certification summary (FSA-578)
- Conservation practices documentation (CCC-509 or AD-1026)
- CRP/CREP contracts, if applicable

The application packet for enrolling tree plantings includes:

- Signed contract
- Enrollment worksheet summarizing the forested acreage
- Documentation of tree plantings that includes tree type and planting density (e.g. management plan or plantings invoice)
- FSA maps of enrolled land
- FSA crop certification summary (FSA-578, if applicable)
- Conservation practices documentation (CCC-509 or AD-1026, if applicable)
- CRP/CREP contracts, if applicable

Once the application packet is submitted, the Delta Institute will review the documents for completeness. Delta Institute will countersign the contract and send you a copy of the completed packet or contact you if additional information is needed.

Verification

Land enrolled in conservation practices and grass plantings may be field verified by the local Soil and Water Conservation District on a yearly basis. Depending on when the application packet is finalized, verification will occur either in the fall or the spring. Forested land below a specific acreage size (approximately 500 acres) will not require field verification.

FAQs

When will I be paid and how frequently?

Payments are typically made once per year after the verification process has been completed. Once the land is verified the carbon credits can be traded on the CCX®. The Delta Institute will pay you no later

than 30 days after pricing and sale of the carbon credits through the CCX®.

Once enrolled, will I need to submit annual reports?

Yearly project reports will be required. The report is a one page form attesting conformance with the contract requirements, verifying the number of acres enrolled in the program, the project type, and project locations.

What are the consequences if I don't continue conservation practices for the required period?

The contract contains stipulations for noncompliance with conservation tillage or grass planting practices. Essentially, non-compliance with the contract would require the project owner to return a quantity of the carbon credits for the project years or pay an amount equal to the cost of the credits.

Can I cancel my contract?

The contract can be cancelled by mutual agreement between the Delta Institute and the project owner.

Can you clarify what land is eligible for the program?

Land enrolled in the ICCI must be capable of being cropped - that is, the land could be utilized for row crop or small grain production even though it may currently be in a non-grass hay crop. Prior to the conservation practice eligibility dates, the land must have been either in agricultural production or degraded.

What is the status of land that was put into grass prior to January 1, 1999?

Land that had grass established on it prior to January 1, 1999, is not eligible for the program. Also, lands in the CREP/CRP program prior to January 1, 1999, are not eligible.

Can you clarify the definition of no-till?

For CCX® purposes these practices are as defined in the Natural Resources Conservation Service National Handbook of Conservation Practices.

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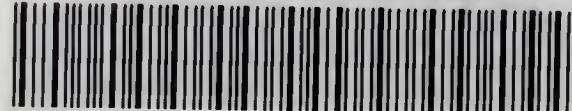
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